

CORONATION GLOBAL EQUITY SELECT PRESCIENT FEEDER AMETF

Fund Information as at 30 September 2024

WHAT IS THE FUND'S OBJECTIVE?

The fund aims to give investors access to the best opportunities in global equity markets. The fund is biased to developed markets and actively seeks out attractively valued shares to maximise long-term growth. Our intent is to outperform the global equity benchmark over all periods of five years and longer.

WHAT DOES THE FUND INVEST IN?

The fund invests in the shares of companies listed on equity markets around the world. The fund has a bias towards developed markets, typically holding at least 70% in developed market shares and up to 30% invested in shares listed in emerging markets. While our intent is to remain fully invested in shares, the fund is allowed to hold up to 20% of its portfolio in cash and bonds.

IMPORTANT PORTFOLIO CHARACTERISTICS AND RISKS

Risk Profile



Maximum growth/ minimum income exposures



The fund will only invest in shares we view as being attractively valued relative to other shares which may offer superior long-term investment growth.

The fund's share selection is the result of rigorous international research conducted by Coronation's investment team.

While we have a disciplined approach to reducing risk, shares can be volatile investments and there is a meaningful risk of capital loss over the short term. Global currency movements may intensify investment gains or declines.

This feeder fund aims to remain fully invested in units in the offshore domiciled Global Equity Select Fund. The only other assets that will be held at feeder fund level are local and foreign cash holdings for liquidity purposes.

HOW LONG SHOULD INVESTORS REMAIN INVESTED?

The fund is managed to deliver the best possible returns over the long term; an investment horizon of 10 years or more is therefore ideal. It is not suitable as a single investment for investors who need to preserve their capital over five years or less.

WHO SHOULD CONSIDER INVESTING IN THE FUND?

Investors who are building wealth, and who

- ▶ are comfortable with full exposure to shares listed in global markets outside South Africa;
- ▶ accept that the fund may underperform the market significantly in the short term in pursuit of superior long-term gains;
- ▶ hold other investments and are looking to add exposure to global equity markets;
- ▶ do not require an income from their investment.

WHAT COSTS CAN I EXPECT TO PAY?

An annual fee of 0.85% is payable.

The full annual fee is collected in the master fund. Fund expenses that are incurred in the fund include administrative, trading, custody and audit charges. All performance information is disclosed after deducting all fees and other fund costs. We do not charge fees to access or withdraw from the fund.

More detail is available on www.coronation.com.

WHO ARE THE FUND MANAGERS?



NEIL PADOA

BEconSci (AcSci),
FFA, CFA

GENERAL FUND INFORMATION

Investment Manager	Coronation Asset Management (Pty) Ltd
Management Company	Prescient Management Company (RF) (Pty) Ltd
Liquidity provider	Prescient Securities (Pty) Ltd
Launch Date	16 August 2024
Benchmark	MSCI All Country World Index
ASISA Fund Category	Global – Equity – General
Income Distribution	Annually (March)
Bloomberg Code	COGES SJ
ISIN Code	ZAE000337143
JSE Code	COGES
Base Currency	ZAR
Exchange	JSE

As at 30 September 2024

ASISA Fund Category	Global – Equity – General
Launch date	16 August 2024
Fund size	R1.16 Million
NAV	1050.60 cents
Benchmark	MSCI All Country World Index
Portfolio manager/s	Neil Padoa
Number of units	110083 units

Total Expense Ratio	1 Year*	3 Year*
Fund management fee		
Fund expenses		
VAT		
Transaction costs (inc. VAT)		
Total Investment Charge		



PERFORMANCE AND RISK STATISTICS

Performance and Risk Statistics will be available 12 months after launch.

PORTFOLIO DETAIL

GEOGRAPHIC ASSET ALLOCATION EXPOSURE

Sector	30 Sep 2024
Equities	100.0%
North America	64.0%
Europe	28.8%
Asia	7.2%

TOP 10 HOLDINGS

As at 30 Sep 2024	% of Fund
Auto1 Group	4.1%
Flutter Entertainment	3.9%
Entain	3.8%
Amazon.com	3.5%
Interactive Brokers	3.5%
Airbus Group Se	3.4%
Lpl Financial	3.1%
Meta Platforms	3.0%
Charles Schwab	2.9%
Elevance Health	2.8%

INCOME DISTRIBUTIONS

Not available - New fund

*TER's not yet available. Please refer to page 4 for more information.

Please refer to page 4 of the Comprehensive Fact Sheet for important additional information, including change in cost disclosures.

Please note that the commentary is for the US dollar retail class of the Fund. The feeder Fund is 100% invested in the underlying US dollar Fund. However, given small valuation, trading and translation differences for the two Funds, investors should expect differences in returns in the short term. Over the long term, we aim to achieve the same outcome in US dollar terms for both Funds.

Performance and fund positioning

Global equity markets had a strong third quarter, with the MSCI All Country World Index returning 7%. Key factors in the quarter included a 50 basis points (bps) rate cut by the US Federal Reserve in September, Chinese stimulus, and a broadening of equity performance beyond the largest stocks. While the Magnificent 7 group of large capitalisation technology shares accounted for the majority of S&P 500 Index returns in the first half of 2024, we saw a reversal of this trend in the third quarter. Following the unprecedented levels of market narrowness that we wrote about in prior commentaries, returns broadened out significantly in the third quarter, with 65% of stocks outperforming the Index, and the rest of the S&P 500 Index's gain of 8% trouncing the advance of the Magnificent 7, which returned only 2% in the quarter per Morgan Stanley analysis. The Fund had a good quarter, increasing by 10.1%.

Performance was broad-based with notable contributions from many stocks which were previously discussed such as Auto1, Entain, Rolls Royce and our food delivery holdings Delivery Hero and Just Eat Takeaway.

We discussed our position in Smartsheet in our March 2024 quarterly commentary. After an indiscriminate sell-off pertaining to Smartsheet's conservative FY25 guidance, we took the opportunity to add to our position when the stock fell to \$38 in March. Smartsheet's subsequent June and September results were strong while peers delivered lacklustre growth, validating our belief in its undervalued status relative to the software peer group. Historically we've observed that mid-cap software companies, with an enterprise-grade product, high revenue growth, and strong free cash flow conversion, often become attractive targets for private equity players. We benefited from this in previous holdings Coupa and New Relic, which were both taken private. While not a primary driver of our investment in Smartsheet, the possibility of being acquired was always considered potential upside optionality. On 24 September, Vista and Blackstone partnered to acquire Smartsheet at \$56.40, a 41% premium to the three-month average closing price, and we subsequently exited our position.

A detractor during the quarter was Ryanair, Europe's largest airline for short haul travel. In July, the share price came under pressure when the company released Q1 results which showed that airfares were down approximately 15%. However, this does not change our view on the long-term earnings power of the business and gave us an opportunity to add to our position. We believe industry dynamics are favourable: The industry has consolidated meaningfully over the years and continues to do so. Secondly, demand remains strong while industry supply is under pressure due to delays in the deliveries of new planes, as well as engine issues at some of Ryanair's competitors, resulting in many aircraft being grounded – both of these issues will take years to resolve. Ryanair is well positioned with extremely low operating costs and aircraft orders that locked in favourable prices, giving them lower aircraft ownership costs than peers. In addition, Ryanair has a very strong balance sheet. The company has about 8% of its market cap in net cash and owns essentially all their aircraft – vastly different to many peers that have large lease liabilities. This not only puts the company in a very strong competitive position, but it also allows Ryanair to return a meaningful amount of cash to shareholders – the combination of dividends and buybacks puts Ryanair on a yield of approximately 10% this year.

Outlook

The team continues to find many compelling bottom-up stock ideas, often in lesser-known names, some of which are mentioned above and others. We thus remain very optimistic about the outlook for our portfolio of companies and the positioning of the portfolio.

Thank you for your support and interest in the Fund.

Portfolio manager

Neil Padoa

as at 30 September 2024

IMPORTANT INFORMATION THAT SHOULD BE CONSIDERED BEFORE INVESTING IN THE CORONATION GLOBAL EQUITY SELECT PRESCIENT FEEDER AMETF

Collective investment schemes (CISs) should be considered as medium to long-term investments. The value of units may go down as well as up, and therefore Prescient does not make any guarantees with respect to the protection of capital or returns. Past performance is not necessarily an indication of future performance. The fund is mandated to invest up to 100% of its portfolio into foreign securities and may as a result be exposed to macroeconomic, settlement, political, tax, reporting or illiquidity risk factors that may be different to similar investments in the South African markets. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. The investor acknowledges the inherent risk associated with the selected investments and that there are no guarantees. A feeder fund invests in a single fund of a collective investment scheme, which levies its own charges and could result in a higher fee structure for the feeder fund. The asset allocation by instrument type are reflected on a look-through basis. The asset allocation by issuer type and top issuer exposures are not reflected on a look-through basis. The Management Company and Trustee are registered and approved under the Collective Investment Schemes Control Act (No.45 of 2002). Prescient is a member of the Association for Savings and Investments South Africa. The Management Company reserves the right to close the fund to new investors if we deem it necessary to limit further inflows in order for it to be managed in accordance with its mandate. The Manager retains full legal responsibility for any third party-named portfolio. CISs are allowed to engage in scrip lending and borrowing. Standard Bank has been appointed as trustees for the fund. Prescient is a full member of the Association for Savings & Investment SA (ASISA). Exchange Traded Funds vs Unit Trusts: Whilst both unit trusts and ETFs are regulated and registered under the Collective Investment Schemes Control Act, ETFs trade on stock exchanges just like any other listed, tradable security. Unlike a unit trust, which can be bought or sold only at the end of the trading day, an ETF can be traded intraday, during exchange trading hours. Exchange traded funds are listed on an exchange and may incur additional costs. This portfolio operates as a white label fund under the Prescient ETF Scheme, which is governed by the Collective Investment Schemes Control Act.

Management Company: Prescient Management Company (RF) (Pty) Ltd **Registration number:** 2002/022560/07 **Physical address:** Prescient House, Westlake Business Park, Otto Close, Westlake, 7945 **Postal address:** PO Box 31142, Tokai, 7966. **Telephone number:** 0800 111 899 **E-mail address:** info@prescient.co.za **Website:** www.prescient.co.za.

Trustee: Standard Bank of South Africa Ltd **Registration number:** 1962/000738/06 **Physical address:** Standard Bank Centre, 5 Simmonds Street, Johannesburg, South Africa 2001 **Telephone number:** 0860 222 050 **Website:** www.standardbank.co.za

HOW ARE UNITS PRICED AND AT WHICH PRICE WILL MY TRANSACTION BE EXECUTED?

CISs are traded at ruling prices set on every trading day. Fund valuations take place at approximately 15h00 each business day, except at month end when the valuation is performed at approximately 17h00 (JSE market close) and forward pricing is used. Instructions must reach the Management Company before 14h00 (12h00 for the Money Market Fund) to ensure same day value. The payment of withdrawals may be delayed in extraordinary circumstances, when the manager with the consent of the fund trustees deem this to be in the interest of all fund investors. These circumstances may include periods when significant underlying markets suspend trading which will prevent accurate valuation of the instruments held in the fund. When the suspension of trading relates to only certain assets held by the fund, these assets may be side-pocketed. This process allows normal liquidity on the assets that can be valued, but will delay liquidity on the affected portion of the fund. If the fund is faced with excessive withdrawals, the affected withdrawals may be ring-fenced, which is the separation and delayed sale of the assets reflecting the interest of the liquidity seeking investors. It ensures that the sale of a large number of units will not force Coronation to sell the underlying investments in a manner that may have a negative impact on remaining investors of the fund.

HOW WAS THE PERFORMANCE INFORMATION INCLUDED IN THIS FACT SHEET CALCULATED?

As this is a new fund the fact sheet does not include performance information yet. Once performance information is available the following will apply: Performance is calculated by using net NAV to NAV numbers with income distributions reinvested. All underlying price and distribution data is sourced from Morningstar. Performance figures are quoted after the deduction of all costs (including manager fees and trading costs) incurred within the fund. Note that individual investor performance may differ as a result of the actual investment date, the date of reinvestment of distributions and dividend withholding tax, where applicable. Annualised performance figures represent the geometric average return earned by the fund over the given time period and are available to investors on request. Unannualised performance represents the total return earned by the fund over the given time period, expressed as a percentage.

HOW ARE THE BENCHMARK RETURNS CALCULATED?

The benchmark used for performance purposes is the MSCI All Country World Index.

WHAT IS THE TOTAL EXPENSE RATIO (TER) AND TRANSACTION COSTS (TC)?

The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. TER is calculated as a percentage of the average net asset value of the portfolio incurred as charges, levies and fees in the management of the portfolio over the period referenced. The TER charged by any underlying fund held as part of a fund's portfolio is included in the fund expenses portion of the TER, but trading and implementation costs incurred in managing the underlying fund are excluded. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER may not necessarily be an accurate indication of future TER's. The 1-year TER is for the 12 months to end of the previous financial year (updated annually). The 3-year TER is for a rolling 36-month period to the last available quarter end (December, March, June and September). Transaction costs are a necessary cost in managing a fund and impacts the fund's return. They should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, the investment decisions of the investment manager and the TER. The Total Investment Charge is the sum of the Total Expense Ratio (TER) and transaction costs.

ADVICE AND PLATFORM COSTS

Coronation does not provide financial advice. If you appoint an adviser, advice fees are contracted directly between you and the adviser. For more information, please contact the relevant platform (Linked Investment Service Provider or Life Assurance Provider).

WHERE CAN I FIND ADDITIONAL INFORMATION?

Additional information such as daily fund prices, brochures, application forms and a schedule of fund fees and charges is available on the manager's website: www.prescient.co.za.

IMPORTANT INFORMATION REGARDING TERMS OF USE

This document is for information purposes only and does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase any particular investment. Opinions expressed in this document may be changed without notice at any time after publication. We therefore disclaim any liability for any loss, liability, damage (whether direct or consequential) or expense of any nature whatsoever which may be suffered as a result of or which may be attributable, directly or indirectly, to the use of or reliance upon the information.

The fund has adhered to its policy objective.